Case 2:99-cv-00331-MJP Document 120 Filed 08/18/2000 Page 1 of 6 ENTERED RECEIVED 1 FILED LODGED AUG 18 2000 2 CLERK U.S. DISTRICT COURT CLERK U.S. DISTRICT OF WASHINGTON WESTERN DISTRICT OF WASHING DEPUTY 3 4 UNITED STATES DISTRICT COURT 5 WESTERN DISTRICT OF WASHINGTON AT SEATTLE 6 7 JACK MACKIE, No. C99-0331P 8 Plaintiff, FINDINGS OF FACT AND 9 CONCLUSIONS OF LAW V. 10 BONNIE RIESER and JOHN DOE RIESER, and SEATTLE SYMPHONY ORCHESTRA 11 PUBLIC BENEFIT CORPORATION, a Washington non-profit corporation, 12 Defendants. 13 This matter was tried without a jury from August 8 through August 10, 2000. The Court, 14 having heard and considered the parties' arguments, evidence, testimony, and stipulations, hereby 15 finds that Defendants Bonnie Rieser and the Seattle Symphony Orchestra ("Symphony") engaged in 16 copyright infringement by using Plaintiff Jack Mackie's work "The Tango" without his 17 authorization. The Court further finds that Plaintiff is entitled to actual damages in the amount of 18 \$1,000. The Court also awards Plaintiff his costs expended in pursuit of this litigation, excluding 19 attorney's fees. 20 Pursuant to Fed. R. Civ. P. 52(a), the Court's findings of fact and conclusions of law are set 21 forth below. 22 I. Findings of Fact 23 The Mackie Work A. 24 Between 1979 and 1982, Plaintiff Jack Mackie, along with another artist named Chuck 25

Between 1979 and 1982, Plaintiff Jack Mackie, along with another artist named Chuck Greening, created a series of eight sculptures that depict the steps used to perform various dances. These sculptures are embedded in the sidewalks of Broadway Avenue in Seattle's Capitol Hill

FINDINGS OF FACT AND CONCLUSIONS OF LAW – 1

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neighborhood. The series of sculptures is known as "Dance Steps on Broadway." One of these sculptures is entitled "The Tango" (for ease of reference, the Court also refers to the Tango sculpture as the "Mackie work"). A copyright notice is affixed to this work. The work was registered with the United States Copyright Office on October 13, 1998. From the testimony at trial, it is apparent that the "Dance Steps" series is widely regarded as an outstanding piece of public art and that Mr. Mackie is well-known in the arts community as the creator of the work.

The Rieser Work В.

In 1995, Defendant Bonnie Rieser, a graphic artist, received a commission from the Seattle Symphony to produce eleven illustrations to be used in promoting the Symphony's 1996-97 season. Ms. Rieser received \$20,000 to produce all eleven works. She received no additional compensation from the Symphony to pay for the costs of materials to be used in producing the works.

One of the eleven works that Ms. Rieser created for the Symphony was derived from a photograph that she took of "The Tango." Ms. Rieser manipulated the image of Mr. Mackie's work and used the manipulated image in the illustration which is the subject of this litigation (the "Rieser work"). Neither Ms. Rieser nor the Symphony sought or received authorization from Mr. Mackie to use an image of his work.

The Symphony used and distributed images of the Rieser work in a number of ways to promote the organization's 1996-97 Pops series. The Rieser work was: (1) included in approximately 150,000 Symphony season ticket brochures; (2) placed on the cover of 12,000 copies of its playbill "Encore Magazine"; (3) made into a single mounted illustration which was displayed at various times; and (4) placed on the cover of approximately 2,000 blank note cards used for special announcements and thank-you messages. None of these materials bore any attribution to Mr. Mackie.

In addition, Ms. Rieser's work was featured in an article in the July-August 1997 edition of the periodical "Step-by-Step Graphics Magazine," a trade publication for the graphic design industry 0

with a circulation of approximately 38,000. Ms. Rieser obtained 3,000 reprints of the article. She circulated approximately 50 reprints with her portfolio to prospective clients and others. She retains the balance of the reprints. The Step-by-Step article did not include any attribution of Mr. Mackie.

C. Plaintiff's Damages

Defendants' conceded copyright infringement at trial. Therefore, the bulk of the testimony and evidence concerned Mr. Mackie's alleged damages.

Plaintiff has presented no persuasive evidence that Defendants' use of the work has caused him to lose commissions or other opportunities to license the use of his work commercially. The Court also finds that the Rieser work has not caused any discernible damage to Mr. Mackie's professional reputation. In addition, the Court is unpersuaded that the article in "Step-by-Step" magazine has caused or will cause readers of the magazine to believe that Ms. Rieser created the Mackie work or owns the copyright for the work.

Although Mr. Mackie has authorized others to use images of his "Dance Steps" works on several occasions, he has never received a license fee or other monetary compensation for the authorized use of these works. However, the Court finds that the evidence presented by the parties is sufficient to permit the Court to make a reasoned determination of what a willing buyer would have been required to pay a willing seller for the use Mr. Mackie's work. The Court finds that the testimony of Defendants' expert Gerald Rapp on this question is more persuasive and credible than the testimony of Plaintiff's experts. Mr. Rapp offered his opinion that a willing buyer would have paid a willing seller a price ranging from \$500 - \$1,000 for the use of Plaintiff's work, assuming that no attribution was given to the copyright owner. Mr. Rapp's opinion regarding a reasonable price is consistent with his testimony regarding the price that a stock photography house quoted for the use of a photograph of a different "Dance Steps" work by Mr. Mackie. It is also consistent with his extensive experience in representing artists and with numerous sales made by his firm in the past year. In addition, Mr. Rapp's opinion is buttressed by the testimony of the Symphony's art director,

who indicated that the Symphony has in the past paid relatively little for the rights to use copyrighted images of photographs and artworks in its promotional materials.

The Court does not find the testimony of Plaintiff's expert Patricia Hackett to be persuasive. Ms. Hackett offered her opinion that a reasonable price for the use of Mr. Mackie's work would have been approximately \$85,000. Ms. Hackett's opinion is based in large part on her interpretation of the Pricing and Ethical Guidelines (PEGS) published by the Graphic Artists Guild, rather than specific, "real-world" examples of the sale of use rights for similar works. Ms. Hackett did not take into account what a willing buyer would reasonably pay for the use of Mr. Mackie's work, nor is the Court persuaded that her use of the PEGS represents a realistic or appropriate approach for determining what a willing buyer would reasonably pay a willing seller for the use of Mr. Mackie's work. The Court also does not believe that the testimony of Plaintiff's expert Peggy Weiss provided any significant support for Plaintiff's damages theory. The Court further finds that there is no evidence in the record that suggests Mr. Mackie has ever received, or could reasonably expect to receive, a license fee of \$85,000 for the use of an image of "The Tango."

Therefore, based on its evaluation of the evidence and testimony presented by the parties, the Court finds that a willing buyer would have been reasonably required to pay \$1,000 to a willing seller for the use of an image of Plaintiff's work. This amount represents the highest price that Mr. Rapp indicated a willing buyer would pay a willing seller for the use of the work. The Court believes that the higher figure is appropriate due to Defendants' failure to provide attribution to Mr. Mackie, as well as the high regard for Mr. Mackie's work in the arts community.

II. Conclusions of Law

A. Copyright Infringement

Defendant concede that they engaged in copyright infringement by using an image of Mr. Mackie's work without his authorization. See, e.g., Defs.' Trial Brief, at 3 ("Defendants are not contesting that an infringement may have taken place"). Defendants have presented no evidence to

contest Mr. Mackie's allegations and evidence that: (1) he owns a valid copyright to his work and has registered his copyright; (2) the Rieser work is derived in substantial part from the Mackie work; and (3) the Mackie work was used without the copyright owner's authorization. Based on Defendants' concessions and the undisputed facts, the Court concludes that Defendants' use of Mr. Mackie's work constituted copyright infringement.

B. Damages

Plaintiff seeks to recover his actual damages pursuant to 17 U.S.C. § 504(b). He does not seek to recover Defendant Rieser's profits, nor does he seek statutory damages.

The Ninth Circuit has held that:

Actual damages are defined as "the extent to which the market value of a copyrighted work has been injured or destroyed by an infringement." The Ninth Circuit test for market value is "what a willing buyer would have been reasonably required to pay to a willing seller for plaintiffs' work."

United States v. King Features Entertainment, Inc., 843 F.2d 394, 400 (9th Cir. 1988) (internal citations omitted). As noted above, the Court has found that a willing buyer would have been reasonably required to pay \$1,000 to a willing seller for the right to use an image of Plaintiff's work. Therefore, the Court concludes that Plaintiff is entitled to actual damages in the amount of \$1,000.

Mr. Mackie's aesthetic and contextual objections to the use of his work, while understandable, are not compensable given the standard of a willing buyer and a willing seller.

C. Costs

Section 505 of the Copyright Act provides that "[i]n any civil action under this title, the court in its discretion may allow the recovery of full costs by or against any party other than the United States or an officer thereof." The Court exercises its discretion pursuant to this provision to allow Plaintiff as the prevailing party to recover his costs in pursuing this action, excluding attorney's fees.

Although Plaintiff's actual damages are not great, his case has merit and he should be entitled to recover his reasonable costs of litigating this action.

III. Conclusion

Defendants engaged in copyright infringement by using Plaintiff's work without his authorization. Plaintiff is entitled to damages which reflect what a willing buyer would have reasonably paid a willing buyer for the use of Plaintiff's work. Therefore, the Court hereby ORDERS Defendants to pay Plaintiff damages in the amount of \$1,000 and Plaintiff's costs in this action, excluding attorney's fees.

The clerk is directed to send copies of these findings of fact and conclusions of law to all counsel of record.

Dated: August 18, 2000.

Mauly, Gelino Marsha J. Pechman

United States District Judge